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AUTHOR Bell, T. H.
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ABSTRACT

This document deals with protection of education consumers. The best way to deal with the problem of malpractice in educational institutions is through a cooperative effort on the part of the federal, state, and private sectors to create a mechanism for coordinating education consumer affairs. Such a "triangle of assistance" would strengthen the ability to deal with problems without infringing on the autonomy of any of its parts. While broad consumer concerns have given impetus to concern for the education consumer, a number of other factors have played a part. The document discusses these factors, common malpractices of educational institutions, and the steps federal and state agencies are taking to protect educational consumers. (Author/KE)

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IT'S TIME TO PROTECT EDUCATION CONSUMERS TOO *

T. H. Bell

U.S. Commissioner of Education

Ladies and gentlemen, State Higher Education Executive Officers, I welcome this opportunity to meet with you and share some of my thoughts on postsecondary education.

The other day I came across a bit of verse written in 1762 by one Charles Churchill. It goes:

He for subscribers baits his hook,

And takes their cash; but where's the book?

Churchill was taking a jab at Samuel Johnson, who had solicited advance subscriptions for a book that somehow never did get published. The analogy to what I want to talk about today may not be altogether perfect, but it's pretty good.

What I want to talk about is protection of education consumers.

Only recently have we seen concrete evidence of a nationwide interest in consumer protection. Not until even more recently have we identified the education consumer, with a right to protection at least equal to that afforded the consumer of tangible goods. When protection is not forthcoming, we alienate our students and their parents, and the consequences permeate the very fiber of our democratic society.

At the outset, I want to emphasize my belief that the vast majority of postsecondary institutions is doing an outstanding job of educating

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a widely diverse student population. They deserve our gratitude and support. There are a few, however, whose practices damage the credibility of the whole postsecondary community.

I also want to point out that in any discussion of education consumer protection it must be understood that, just as institutions have obligations, so too do students. We know that many students do not apply themsleves. We know that their complaints are not always valid. Nevertheless, for the good of institutions and students alike, we can never assume that a complaint is either valid or invalid.

It seems to me that the best way to deal with the problem is through a cooperative effort on the part of the Federal, State, and private sectors to create a mechanism for coordinating our education consumer affairs. Such a "triangle of assistance" would strengthen our ability to deal with problems without infringing on the autonomy of any of its parts.

While broad consumer concerns have given impetus to concern for the education consumer, a number of other factors have been instrumental.

Not many years ago, higher education operated under the doctrine of caveat emptor. If a student opted for college instead of getting a job, it was assumed that he was not only prepared academically for the rigors of higher learning but also prepared to pay for it. Since students were in college of their own volition, success or lack of it was held to be their own responsibility. Institutional competition was aimed at attracting students with high test scores.

Now, however, institutions of all kinds are in keen competition for students in numbers, not just those with high scores. This leads to recruiting practices that are, in light of the past, at least unusual. Not that there is anything wrong with competitive recruitment. Handled correctly, it can benefit the education consumer. Handled incorrectly, it can be very damaging.

The formal education structure interacts with all kinds of internal and external forces. The National Defense Education Act, as a response to the Soviets' Sputnik, is a prime example of how an external force set in motion a host of others. Economic factors, too, are causal. The College Scholarship Service tells us that college students who live on campus will have to pay 8 percent more next year and that charges by publicly supported institutions have risen 50.3 percent in the past 4 years. National attitudes also are influential. In mid-twentieth century more education was stressed as the one sure way to the top. Too often, quantity took precedence over quality.

Education is no more immune to the pressures of supply and demand than any other enterprise in a free nation. For a while technological advances created demands that outstripped supply, creating a curricular hiatus between secondary school and college that begged to be filled.

Traditional colleges, mostly those with 2-year programs, filled in much of the gap, and specialized schools--many of them profit-making--filled in more. Industry itself moved on to the scene, developing programs that would assure a manpower source for future needs. Post-high

school education was well on its way to becoming big business, beset with all its pluses and minuses.

Federal policy has played probably the leading role in the growth of postsecondary enrollments and institutions. In an effort to equalize opportunity, student financial assistance has been directed toward the economically disadvantaged. This has made education beyond high school a reality for literally hundreds of thousands of young people for whom in earlier times it would have been impossible.

Further pressure has been exerted by the widening of Federal program eligibility criteria. This has greatly increased the number of institutions that can compete for students who qualify for Federal aid.

While student charges hardly make a dent in the budget of some institutions, others rely heavily or -- as with many proprietary schools -- exclusively on tuition and fees for support. Certainly in this society there is a place for profit-making schools, some of which provide very good instruction. On the other hand, I personally question the soundness of an institution whose existence is totally derived from signing up students who qualify for Federal aid.

There can be no quarrel with a policy that extends the opportunity for education to the financially distressed, nor can there be any quarrel with a policy that widens postsecondary options. Nevertheless, philosophically sound as this Federal policy may be, I believe it has contributed to our present need to develop ways to

protect the student-consumer. Unfortunately, when there is rapid growth in any sector, there is danger of malpractice. And, much as we would like to attribute beneficence to the world of education, it, too, has its charlatans--the seekers of the fast buck.

Schools and colleges are selling education, and students are buying it. What the student buys worth it in personally satisfying knowledge and salable skills? Those of us who have struggled with accountability in education know that measurement is not easy. On the other hand, there are facets of postsecondary education that are readily measured and must be if the integrity of American education is to be maintained.

Some common malpractices in public, private nonprofit, and profit-making institutions include:

- # Misleading advertising.
- # Overly aggressive recruiting.
- # Lack of full disclosure of such information as the institution's history, financial policies, and academic standards.
- # Inferior facilities, course offerings, and/or staff.
- # False promises of job placement.
- # Unsatisfactory refund policies, or failure to live up to stated policies.

We addressed these issues in regulations published in February for the Guaranteed Student Loan Program, where abuse appears most flagrant.

We now have authority to stop participation in this program by education institutions and lenders who dishonor the privileges of the program and who do not take proper steps to safeguard student investments. This is a beginning, but it is not enough.

Students who are supposed to benefit often do not. The Nation is shortchanged in its investment to develop human talent. Officials are undermined in efforts to safeguard the public purse. The integrity of American society becomes suspect. Student dropouts and loan defaults increase.

In essence, then, institutional malpractice affects every one of us in one way or another.

While a triangle of assistance can help us work toward cooperation across time honored lines, we must also remove barriers that exist in the Federal sector alone. At best, the Federal thrust is fragmented. It is difficult to know exactly what the various departments are doing to carry out their education mandates, and there is no central effort to safeguard consumers. To compound the problem, there is sometimes fragmented overseer authority within a single department or agency.

Let's make a quick sketch of the Federal picture. Briefly, the U.S. Commissioner of Education grants recognition to State approval agencies and private accrediting bodies which, in turn, provide assurance of institutional quality. Currently, 12 State approval

agencies, eight State boards of nursing, and 63 accrediting agencies are recognized. Accreditation or approval by one of these bodies is necessary for eligibility to participate in any Office of Education program. A number of other Federal agencies base many of their eligibility decisions on ours.

The Veterans Administration is one of the largest sources of Federal student financial aid. Its programs are handled by 58 regional offices, which take care of local complaints, but there is no national clearinghouse. State agencies approve the courses in which VA students may enroll.

The Social Security Administration, the Department of Defense, the Bureau of Indian Affairs, and the Federal Aviation Administration comprise a partial listing of Federal student aid suppliers with more limited clientele and, therefore, somewhat limited consumer concerns. Such agencies develop institutional eligibility criteria to best carry out their particular purposes and, to a greater or lesser degree, each carries out its own consumer protection measures.

The Federal Trade Commission began a multi-media consumer education campaign in 1973. Its booklet, Guidelines for Private Vocational and Home Study Schools, serves as an alert to deceptive and unfair practices. The Postal Service has distributed general guidance helpful to students. Its 28-page booklet on mail fraud contributed to the closing of 21 home-study schools. Student borrowers will benefit from a new law that mandates the establishment of consumer affairs offices by the Federal

agencies that regulate financial institutions. The HEW Office of Consumer Affairs was established to provide liaison between private organizations and Federal agencies responsible for education consumer protection.

The Congress has evinced considerable interest in education consumer protection. Public awareness has created a great deal of pressure, and a variety of formal and informal consumer advocacy groups are making headway in building safeguards at least inclusively if not exclusively for students.

Now, let's look at the State picture. State laws and enforcement vary a great deal. Some are strict and others are extremely lenient. Most rely on the regional accrediting agencies to determine the quality of postsecondary education institutions, and each has at least one State agency to approve courses for veterans. It is interesting to note that, whereas States often rely on the accrediting agencies, Federal eligibility criteria are largely dependent on both those and State agencies. Nevertheless, despite this interlocking, there is no existing formal mechanism for cooperation, and the result is an information vacuum. A dishonest school operator forced to cease activities in one State may set up business in another which knows nothing about the action of the first or any other State.

Given the diffusion of authority, what can be done to protect education consumers? As a first step, we must begin immediately to work together to establish a mechanism--a clearinghouse--that will

let us hear one another and, more important, hear what the consumer has to say. As things stand, people who have complaints often do not know where to lodge them or, worse, are either afraid to express dissatisfaction or consider it futile. There has to be a mutually agreed upon system for dealing with offenders and achieving redress for students. We are not going to build up much confidence in our sincerity or credibility if abuses are simply tabulated and shelved.

Wide dissemination of information about the existence of such a central clearinghouse as I propose is essential to its success. Everyone who might have need of its services must know about it. This could be accomplished through a saturation multi-media campaign. Forms could be developed for the submission of complaints and given wide distribution. This would make it easier for students to pin down what they want to say and for the center to determine the validity of complaints and decide what steps should be taken. It goes without saying that protection should begin before there is any chance for abuse. To dress an old adage in metric finery, a gram of protection is worth a kilogram of cure. A big part of the job is to teach prospective students how to make proper selections.

The control of education is historically and rightfully the prerogative of States and localities, but I cannot see that a cooperative, coordinated central effort to protect consumers would in any way interpose itself in that historic right. I am confident that not one education jurisdiction would reject a coordination mechanism that could provide leadership and technical assistance to help it serve its education consumer needs better.

The cost of education is dear, both in irretrievable time and in actual dollars spent. But no cost is more dear than that incurred through student disillusionment. I am afraid that confidence in our good faith already is on the wane. We have been negligent in our collective responsibility, and we cannot afford any longer to delay action. The integrity of American postsecondary education--indeed of our democratic society--depends upon early and positive measures to assure education consumers that institutional malpractice will not be tolerated. Our work is laid out for us. Together we can get it done.

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